

September 21, 2000

The Honorable Mayor Sharon Sayles-Belton
350 South 5th Street
Minneapolis, MN 55415

The Honorable Joan Campbell
Chair, Ways and Means/Budget Committee
350 South 5th Street
Minneapolis, MN 55415

**Re: Information Technology Services Organization Overview and the
Financial Workout Plan for Intergovernmental Services Fund**

Dear Mayor Sayles-Belton and Council Member Campbell:

Attached you will find a combined report that provides first an overview of the recently implemented organization structure for the Information Technology Services (ITS) Department, and second a financial workout plan for the Intergovernmental Service Fund, the Internal Service Fund in which the ITS Department is funded.

The financial workout plan has been prepared in response to Mayor and City Council direction to develop a financial strategy for resolving both the annual operating deficit and the accumulated cash deficits for the Intergovernmental Services Fund.

We look forward to presenting this important information to you.

Sincerely,

Approved for submission:

Karl Kaiser
Chief Information Officer

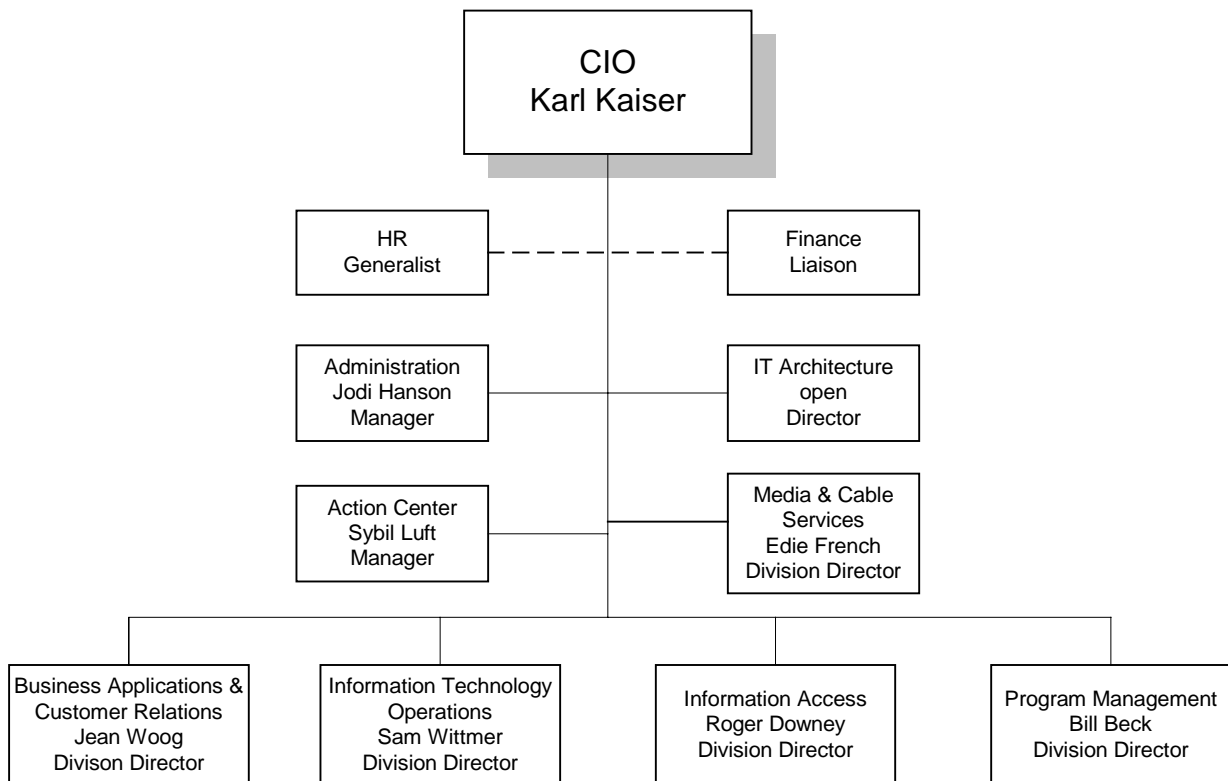
John Moir
Finance Officer

Kathleen O'Brien
City Coordinator

Attachment: 1

THE ITS ORGANIZATION

ITS Strategies for 2001 are to build stronger customer relations and to streamline the operation into a more effective Information Services provider to City departments. Further more, by reducing the number of contractors used to augment ITS staff we should see significant cost savings during the course of the 2001 budget year. To focus ITS on becoming a more fiscally responsible organization, and better position ITS as a centralized enterprise wide provider of information services in the City, required an organizational restructure. A key objective of the restructure is to enable ITS to function as an information services “business” within the City. Effective in August 2000 ITS was re-aligned as follows:



- By elevating the Action Center to report directly to the CIO and making it the first point of contact for all service requests, we expect significantly improved communications.
- The newly structured Business Applications & Customer Relations division will meet with all departments to initiate the process of defining Service Level Agreements (SLA,s), which will provide the foundation for ITS to function as a “business” within the City.

- By combining our two technology organizations, previously named Technology Services and Telecomm/Network, into Information Technology Operations, we should see much greater efficiencies in the support of the City's client/server hardware and software infrastructure.
- We have strengthened the Information Access division by combining all Intranet, Internet, Web and Voice activated activities involved in providing on-line access to City information.
- Adding a Program Management division will significantly improve the coordination, management and cost-control of all activities that are of a one-time, or project nature. Typically this includes all customer service requests outside of those that can be accommodated by ITS support divisions as "routine" requests for service and that are funded through the City's SISP funding process.
- Technologies related to information processing, telecommunications and audio/video production and broadcasting are merging at a rapid pace. With the transfer of Media & Cable Services from Communications to ITS we will be in a much better position to assure an enterprise wide approach towards technology decisions and initiatives.

Organizational Functions and Responsibilities by Department/Division

The HR and Finance functions represent a dotted line relationship to the respective City departments.

Administration

Provides administrative assistance to the CIO and has responsibility for the following functions:

- Coordination of ITS human resources
- Coordination of ITS finances, including operating & capital budgets and SISP expenditures. Primary interface to the Finance Department.
- Prepares preliminary and final budget requests and maintains records.
- Maintains and analyses the financial status of the department.
- Trains and supervises administrative support personnel.
- Directs and supervises contract and hardware/software license administration.
- Directs and supervises IT related purchasing and personnel payroll process.
- Coordinates and supervises administrative procedures and clerical support activities between all sections of the department.

IT Architecture

A staff director function with the responsibility to plan and develop, in collaboration with other ITS functions, an enterprise vision and blueprint for integrating IT infrastructure into the City to support ITS service delivery and information quality. Responsibilities include:

- Develops and maintains a Strategic Information Systems Architecture Plan that includes process, application, data and technology, which supports city wide Strategic Business Directions and defined Service Level Agreements (SLA's).
- Develops and maintains information architecture and standards.
- Acts as key liaison for ITS with IT suppliers and packaged vendors.
- Ensures future City IT architecture directions are not compromised by one vendor, or one business application.
- Monitors development projects to ensure technical and business operations inter-operability of custom developed and packaged software implementation.
- Acts as the IT organization “glue” to hear all sides of IT technical and organizational issues before IT decisions and standards are modified.
- Keeps current with information technology advances in the industry.

Action Center

Functions as the City's IT Help Desk and central point for all customer service requests. All customer requests for service, including calls for trouble resolution, will be logged and routed for disposition to the appropriate organization within ITS. Trouble resolution takes precedence over all other ITS activities. The Action Center will develop and implement a trouble resolution procedure as follows:

- If call taker can not resolve problem within a specified period of time the resolution will be escalated to the next skill level (level 2) within ITS.
- If skill level 2 is unable to resolve problem within a specified period of time the resolution will be further escalated to a skill level 3 within ITS and a status notification will be communicated by voice mail to all affected City departments and the CIO.
- Further need for escalation to a skill level 4 will be to respective IT vendors.
- Status notifications to affected departments and the CIO will continue in specified intervals until the problem is resolved.

All other customer service requests, including requests for routine services, such as moves, adds and changes, requests for application software modifications/enhancements, new applications and or hardware, will be electronically communicated to and recorded by the Action Center. The Action Center will route the request to the respective organization(s) within ITS and initiate an automatic response to the requesting

organization indicating receipt of the request. Within 5 business days ITS will notify the requesting organization of a disposition for the request.

All of the above procedures and processes will become an integral part of Service Level Agreements between ITS and all City departments.

Business Applications & Customer Relations

A division that functions as the primary ITS interface to all City departments. Responsibilities include:

- **Customer Relations**
 - Primary interface to customers
 - Defines ITS “Services”
 - Establishes SLA,s with all City Departments
 - Monitors and reviews ITS service against SLA,s
 - Resolves SLA issues
 - Establishes routine schedule to meet with City Department management
 - Conducts periodic Customer Satisfaction Surveys
- **Business Applications Liaison**
 - Builds and maintains business know-how
 - Builds and maintains know-how in ITS standards, architecture, operations and support processes
 - Determines and defines business requirements
- **Business Applications Support**
 - Provides application maintenance and support
 - Maintains application support contracts
 - Interfaces with application vendors

Information Technology Operations

This newly formed division is the consolidation of the former Technology Services and Telecomm and Network organizations. The division’s charter is to implement and maintain the City’s information technology infrastructure through five major functions, Telecomm Services, Security Services, Systems & Infrastructure, Data Center Operations and Client Support. Responsibilities include:

- **Telecomm Services**
 - IVR/VRU administration
 - Cell phone/pager administration
 - IP telephony research
 - Voice – PBX, cabling, operators circuit management
 - Call center management
 - Special projects

- **Security Services**
 - Anti-virus administration
 - Security management
 - Security policies, standards and procedures
- **Systems & Infrastructure**
 - NT, Unix & Mail server administration
 - Database administration
 - Network planning, design and management
 - Remote access management
 - System & network policies, standards and procedures
 - Backup/recovery planning and execution
 - Storage management
- **Data Center Operations**
 - Data Center facilities planning
 - Server production capacity planning, batch processing, backup/recovery, disaster recovery
 - Hardware installation
 - Printing services
 - Mail administration
 - Telecom administration
- **Client Support**
 - Trouble ticket management
 - User account administration
 - NT Domain administration
 - E-mail account administration
 - Desktop image management
 - Desktop inventory management
 - Electronic software distribution
 - Desktop inventory management
 - Desktop anti-virus management
 - Special projects

Information Access

The focus of this division is on providing structure, guidelines, policies and technology for the ability to provide Web access to City information. The division manages Internet and Intranet content and site design, develops and implements Web applications, supports the data warehouse and City reporting system and provides oversight for the City's telephone operators. Specific responsibilities include:

- **Web Site Management**
 - Web information architecture
 - Web site tools
 - Web site design
 - Content management
 - Content publishing
 - Web usability
 - Web usage analysis
- **Web Development**
 - Business analysis
 - Data analysis
 - Design & development
 - Testing & deployment
- **Data Warehouse**
 - Data Warehouse support
 - City reporting systems support
 - Query development
 - User training
- **City Telephone Operations**

Program Management

The ITS Program Management Division is responsible for the Assessment, Planning, and delivery of new IT solutions fully supported by institutionalized business practices. Responsibilities include:

- Translate City (RTSF) Program goals into strategic direction and business objectives.
- Develop executable project plans and budgets from the business objectives.
- Drive IT solutions with business process.
- Research and propose Make vs Buy decisions.
- Departmental/inter-agency/Enterprise IT solution decisions.
- Manage the development and deployment of IT solutions.
- Deliver IT solutions integrated into the Enterprise infrastructure.

- Combine appropriate enabling technology, existing IT application/infrastructure & COT's products in proposed IT solutions.

Media and Cable Services Division

This newly formed Division coordinates the regulatory concerns of developing telecommunications technologies and the production functions of video services, including:

- **Telecommunications Work Team**

- Development of Comprehensive Telecommunications Ordinance
- Development and implementation of Common Conduit Ordinance
- Facilitate entry of Telecommunications providers
- Business Development
- Development of Institutional Network/Public Private Partnership

- **Cable Regulation**

- Oversight of Current Cable Franchise
- Coordination of Competitive Providers
- Oversight of Public Access Provider (MTN)
- Legislative Initiatives

- **Video Services**

- Development of PICS project
- Production of Informational Programs for City Departments
- Artifacts, Inside Minneapolis, Mayors Round Table, A Public Health Journal, City Beat, PSA's, Etc.
- Scheduling of Programs on City Cable Channel

- **Police Video Services**

- Production of Training Videos
- Video Support for Case related Investigations

- **Council Committee Production**

- Video Taping and Cable cast of all City Council Committee Meetings

FINANCIAL WORKOUT PLAN

Background

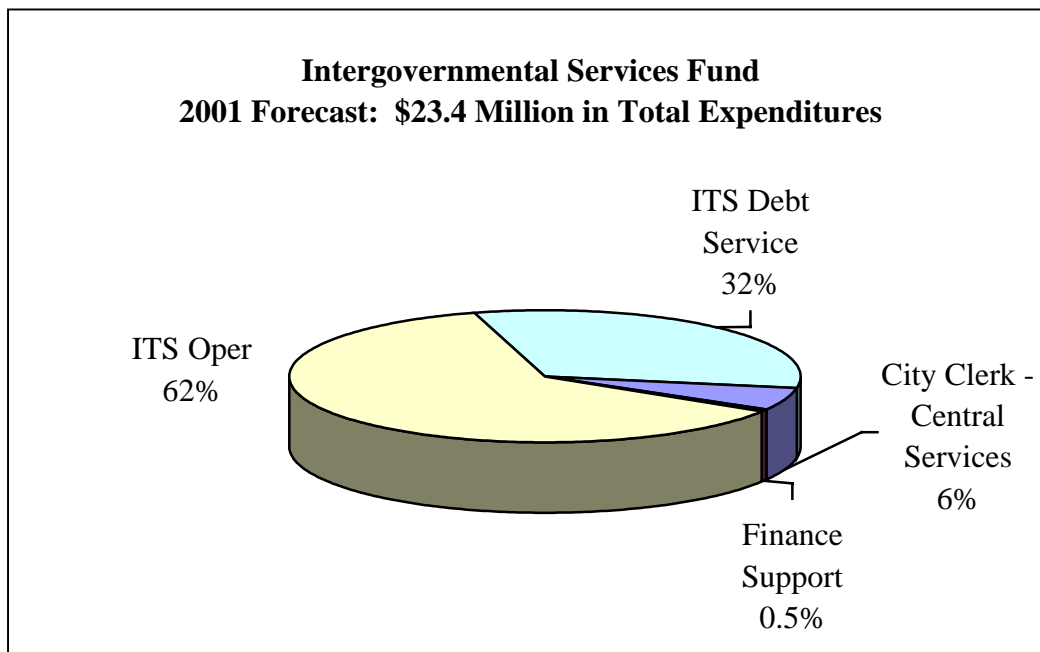
The City of Minneapolis is faced with financial challenge with respect to the Internal Service Funds of the City. The City remains financially sound because it deals with financial challenges in a deliberate and timely manner. The purpose of this report is to propose to the Mayor and City Council a recommended financial work-out plan for the Intergovernmental Services Fund. The Intergovernmental Services Fund is one of six Internal Service Funds that the City manages.

The Finance Department and Public Works Department have also been directed by the Mayor and City Council to prepare a financial work-out plan for the City's Equipment Services Fund. The Equipment Services Fund is another major Internal Service Fund that has been operating with an annual deficit and an accumulated cash deficit. This financial work-out plan for this fund has not been prepared yet. It is our goal to have this plan prepared for the Mayor and City Council by the end of October.

Financial Background for the Intergovernmental Services Fund

The Intergovernmental Services Fund is used to account for the City's central printing and mailing services and information technology services. Information technology services comprise almost 94% of the total expenditures within this fund as shown below.

Chart One



The Intergovernmental Services Fund for the City does not have sufficient revenue to cover expenditures, neither operating nor non-operating expenditures (i.e., debt service payments) as shown below.

Table One

| | 1997 Year Ending | 1998 Year Ending | 1999 Year Ending |
|--------------------|-------------------------|-------------------------|-------------------------|
| Total Revenue | \$11,397,000 | \$12,095,000 | \$14,366,000 |
| Total Expenditures | \$13,154,000 | \$14,964,000 | \$20,146,000 |
| Net Loss | \$(1,757,000) | \$(2,869,000) | \$(5,780,000) |

The total expenditures provided in the above table and previous pie chart do not reflect investments in information technology infrastructure and system development, such as the City's human resources system (HRIS) and financial system (FISCOL). This is because these were capital investments and they are included in the City's Permanent Improvement Fund. However, principal and interest payments on the bonds that were issued to finance these investments are reflected in the expenditures listed above.

As a result of the annual operating deficits shown above, the Intergovernmental Services Fund has accumulated a cash deficit. Below is a summary of the changing cash position of the fund.

Table Two

| | 1997 Year Ending | 1998 Year Ending | 1999 Year Ending |
|---------------------|-------------------------|-------------------------|-------------------------|
| Beg Cash Balance | \$4,000,000 | \$(1,200,000) | \$(3,400,000) |
| Change | \$(5,200,000) | \$(2,200,000) | \$(5,570,000) |
| Ending Cash Balance | \$(1,200,000) | \$(3,400,000) | \$(8,970,000) |

Over the last several years, the City of Minneapolis has made tremendous investments in its information technology systems, including Y2K. These investments have provided us with the tools to better serve the public efficiently and effectively. Below is a summary by year of the investments that have been made.

Table Three

| Information Technology System Projects (SISP) from 1994 Through Current Functionally (In Thousands) | |
|--|--------------|
| FISCOL | \$4,616 |
| HRIS | \$7,708 |
| Property Valuation/Regulation | \$6,052 |
| Public Safety | \$3,777 |
| Public Works (GIS/E2K) | \$6,208 |
| Utility Billing | \$3,325 |
| Compliance 2000 | \$5,526 |
| Other City functions | <u>\$275</u> |
| Subtotal | \$37,487 |
| ITS Infrastructure | |
| Information Access | \$2,339 |
| Customer Equipment | \$6,856 |
| Customer Service Functions | \$1,344 |
| Network | \$3,228 |
| Other | <u>\$365</u> |
| Subtotal | \$14,132 |
| Total | \$51,619 |

As stated in the 2000 Interim Financial Report presented to Ways & Means/Budget Committee on September 11, the City needs to resolve the under-funded condition in its Internal Service Funds. Internal Service Funds, like the Intergovernmental Services Funds that is being presented in this report, are intended to operate like businesses and sell goods and services to other City Funds and departments; they are suppose to be funded through the rates they charge for goods and services. For several years, the City has not set the rates high enough to adequately fund its internal services. Although there were external services reasons, such as infrastructure and public safety investments, this strategy has created operating shortfalls and a cumulative deficit cash position for the Internal Service Funds, including the Intergovernmental Services Fund.

The City must address this financial challenge by committing revenue and cutting costs through identified efficiency gains. Last year, the adopted 2000 budget included an additional \$2.0 million in dedicated property tax revenues to address the Internal Service Funds' deficits. Of this amount, \$1.0 million was dedicated for the Intergovernmental Services Fund. This was an important first step. However, more revenue will be required in addition to cost savings measures. The City must address both the annual operating deficits and the accumulated cash deficits within these funds.

Proposed Financial Work-Out Plan for Intergovernmental Services Fund

Attachment A of this report includes a financial forecast plan for the Intergovernmental Services Fund. This schedule provides forecasted revenue and expenditures and the corresponding impact of cash balance for the fund for 2000 through 2012. The year 2012 is the established planning horizon because it corresponds with the proposed revised life of the debt for information technology projects.

Based on the proposals and financial assumptions that are outlined below, the fund will begin to generate a positive annual operating balance beginning in 2003. However, it is projected that it will take a minimum of eight years to eliminate the accumulated cash deficit, assuming the financial assumptions are realized.

1. Refund Existing Outstanding Variable Rate Debt

In order to achieve this outcome of a positive annual operating and cash balance position, it will be necessary to extend the life of the existing variable rate debt from an average 5 to 7 year life to a 12 year life. This is normally not financially desirable, but given the current financial position of the fund, it is financially acceptable.

By refunding outstanding variable rate debt of \$19.4 million, it will allow the City to re-direct \$2.7 million of General Fund resources, currently dedicated for paying off variable rate debt, towards funding the operating costs of Information Technology Services. Thereby, reducing the annual operating deficit for the fund by \$2.7.

Table Four and Five below, provide a summary of the outstanding information technology services related fixed rate and variable rate debt as of September 2000. The outstanding fixed rate debt of \$21.3 million will be paid off as scheduled by 2006. The outstanding variable rate debt will be refunded in order to extend the final pay-off year from 2005 to 2012.

Table Four

| Outstanding Fixed Rate Bonds for ITS Related Capital Project as of September 2000 | | | |
|--|--------------|-------------|--------------|
| Year | Principal | Interest | Total |
| 2000 | \$1,391,000 | \$509,081 | \$1,900,081 |
| 2001 | \$1,335,000 | \$1,008,630 | \$2,343,630 |
| 2002 | \$1,445,000 | \$941,960 | \$2,386,960 |
| 2003 | \$1,555,000 | \$869,750 | \$2,424,750 |
| 2004 | \$3,620,000 | \$792,000 | \$4,412,000 |
| 2005 | \$5,910,000 | \$606,000 | \$6,516,000 |
| 2006 | \$6,000,000 | \$305,250 | \$6,305,250 |
| Total | \$21,256,000 | \$5,032,671 | \$26,288,671 |

Table Five

| Proposed Refunded Outstanding Variable Rate Bonds for ITS Related Capital Projects | | | |
|---|--------------|--------------------------|--------------|
| Year | Principal | Projected Interest at 5% | Total |
| 2000 | \$4,245,000 | \$2,075,625 | \$6,320,625 |
| 2001 | \$0 | \$759,750 | \$759,750 |
| 2002 | \$0 | \$759,750 | \$759,750 |
| 2003 | \$0 | \$759,750 | \$759,750 |
| 2004 | \$0 | \$759,750 | \$759,750 |
| 2005 | \$0 | \$759,750 | \$759,750 |
| 2006 | \$0 | \$759,750 | \$759,750 |
| 2007 | \$0 | \$759,750 | \$759,750 |
| 2008 | \$0 | \$759,750 | \$759,750 |
| 2009 | \$3,485,000 | \$759,750 | \$4,244,750 |
| 2010 | \$3,695,000 | \$585,500 | \$4,280,000 |
| 2011 | \$3,905,000 | \$400,750 | \$4,305,750 |
| 2012 | \$4,110,000 | \$205,500 | \$4,315,500 |
| Total | \$19,440,000 | \$10,105,125 | \$29,544,625 |

2. Identify Level of Funding Available for Capital Projects

Planned Capital Expenditures. The financial plan presented in Attachment A assumes that the City will issue an additional \$12.2 million in bonds between now and the end of 2001. The Mayor and City Council approved \$5.6 million during 3rd Quarter 2000 for investment in the final phase for GIS. There is also \$1.1 million in projects previously approved for which the bonds have not been issued yet. The remaining \$5.5 million for business applications and IT infrastructure will be requested as part of the 2001 budget, with the anticipation of issuing bonds during 2001.

Future Capital Expenditures. This proposed financial workout plan, as outlined in this report, does not provide funding for information technology capital projects beyond the \$12.2 million outlined above. In order to achieve the goal of eliminating the operating deficit and accumulated cash deficit in this fund, there must be commitment to the finance plan and the defined level of expenditures. There will likely be continued pressure for capital investments, but future projects will need to have an alternative funding source that is not identified as part of this report and financial plan. Alternative funding options will most likely need to come from either savings generated by the "benefiting" or "user" department or from additional revenue.

Projected Bonds Outstanding. Table 6, below, provides a summary of projected total outstanding fixed rate bonds (\$21.3 million), refunded variable rate bonds (\$19.4 million), and future bonds (\$12.2 million). The amounts in Table Six correspond to the debt service transfer amounts listed in the financial plan in Attachment A.

Table Six

| Projected Total Outstanding Bonds for ITS Related Capital Projects (Including Fixed, Refunded Variable, and Future Bonds) | | | |
|--|--------------|--------------------|--------------|
| Year | Principal | Projected Interest | Total |
| 2001 | \$1,335,000 | \$2,378,380 | \$3,713,380 |
| 2002 | \$1,445,000 | \$2,311,710 | \$3,756,710 |
| 2003 | \$1,555,000 | \$2,239,500 | \$3,794,500 |
| 2004 | \$3,620,000 | \$2,161,750 | \$5,781,750 |
| 2005 | \$5,910,000 | \$1,975,750 | \$7,885,750 |
| 2006 | \$6,000,000 | \$1,675,000 | \$7,675,000 |
| 2007 | \$0 | \$1,369,750 | \$1,369,750 |
| 2008 | \$0 | \$1,369,750 | \$1,369,750 |
| 2009 | \$6,260,000 | \$1,369,750 | \$7,629,750 |
| 2010 | \$6,635,000 | \$1,056,750 | \$7,691,750 |
| 2011 | \$7,010,000 | \$725,000 | \$7,735,000 |
| 2012 | \$7,490,000 | \$374,500 | \$7,864,500 |
| Total | \$47,260,000 | \$19,007,590 | \$66,267,590 |

3. Reduce Information Technology Operating Expenditures

The Information Technology Services Department will reduce the number of full-time equivalent Information Technology positions (City FTE's) from 75 to 65 by 2002, saving approximately \$700,000. In addition, the spending on contractors for operation support will decrease by approximately \$800,000. In total, these two changes will provide approximately \$1.5 million in net cost reductions beginning in 2002. These projections are based on current year dollar cost estimates.

4. Commit \$1.2 million in Additional Annual General Fund Resources

In addition to refunding current debt and cutting operating costs, we must increase revenue for the Intergovernmental Services Fund. There must be sufficient General Fund resources available to fund the cost of providing information technology services. The fund must be balanced in the long-term.

The proposed financial plan will require an additional \$1.2 million in General Fund revenue each year for the next 8 years, from 2001 to 2008.

By 2008, the City must provide \$9.8 million in additional General Fund revenue for the Intergovernmental Services Fund. The General Fund revenue provided must increase from \$11.2 million to \$21.0 million from 2000 to 2008 budget in order for the proposed finance plan to work.

The \$9.8 million in additional funding will need to come from either additional property tax revenue, cost reductions in other areas funded with General Fund resources, or additional non-property tax sources of General Fund revenue.

5. All City Funds, Except the General Fund, Must Provide Pay-As-You-Go Funding for Information Technology Services

All City funds, except the General Fund, that receive services and capital funding from the Information Technology Services Department, must provide pay-as-you-go funding.

The proposed rate schedules (user fees) and corresponding financial pro-formas that have been adopted by the Mayor and City Council for Sewer, Water, and Solid Waste, as part of the 2000 budget, already reflect the cost for payment to the Intergovernmental Services Fund. As part of the 2000 budget, adjustments were made to these funds for increased payment related to the development of Engineering 2000 and additional workstation purchases for the Public Works Department. This funding must be provided to the Intergovernmental Services fund, as adopted.

In addition, we are requesting that payments made from all City Funds, except the General Fund, to the Intergovernmental Services Fund be increased to reflect the recently approved \$1.4 million capital project increase for Engineering 2000. The total revised amount of funding that should be transferred from other funds to the Intergovernmental Services Fund are reflected in the proposed financial plan, Attachment A. The proposed amounts represent a combined total \$1.6 million increase in appropriation expense to these other City funds.

6. *Adjust the Rates Paid by User Departments/Funds on an Annual Basis*

The rates paid by departments and/or funds must be adjusted annually to reflect the full cost of providing information technology services. The proposed financial plan, Attachment A, assumes a 4% annual adjustment to the rates paid by user departments and/or funds.

7. *Eliminate Internal Working Capital Charge*

Beginning with the 2001 Budget, the internal working capital charge that the Intergovernmental Services Funds pays (finance charge for internal cash loans) will be eliminated. While this will reduce expense within the Intergovernmental Services Fund, it will result in revenue loss to the General Fund of \$500,000.

8. *Implement Permanent Inter-Fund Loans*

In recognition of the long-term finance plan that is proposed for adoption, the City will implement permanent inter-fund loans to the Intergovernmental Services Funds. The Convention Center Fund and the Convention Facilities Reserve Fund will be the source of the long-term inter-fund loan. Implementing a permanent loan, up-front, provides greater recognition of the City's financial plan to address the deficit situation that exists within this fund. The Finance Department will be responsible to initially establish and then to assess the loan requirement on an annual basis.

9. *Develop User Rates for Information Technology Services*

Last, the Information Technology Services Department and the Finance Department must develop a reasonable and easy to understand charge-back process for information technology services.

Currently, the payment to the Intergovernmental Services Fund is done through a fund level transfer. In order for the "customers" of the Information Technology Services Department to understand what they are "purchasing" the City needs to have a charge-back system in-place at the user level versus fund level.

Although, this is not fundamental to implementing the proposed financial plan for the Intergovernmental Services Fund, it makes good business sense to develop a charge-back process.

The Finance Department will work jointly with the Information Technology Services Department to develop a charge-back process for the 2002 budget.

Recommendation

The City Coordinator, Finance Department, and Information Technology Services Department jointly recommend that the Ways and Means/Budget Committee approve the financial work-out plan proposal, as provided in points one through nine above and in the attached financial plan, Attachment A.

The Mayor and City Council will be informed of the financial progress as part of the current on-going financial reporting process, in addition to the annual budget process.

ATTACHMENT A

| | 2000 Forecast | 2001 Forecast | 2002 Forecast | 2003 Forecast | 2004 Forecast | 2005 Forecast | 2006 Forecast | 2007 Forecast | 2008 Forecast | 2009 Forecast | 2010 Forecast | 2011 Forecast | 2012 Forecast |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Operating Revenues: | | | | | | | | | | | | | |
| City Clerk | 1,373,330 | 1,413,273 | 1,455,671 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 | 1,372,109 |
| IT Charges for Service | 1,396,413 | 1,452,270 | 1,510,360 | 1,570,775 | 1,633,606 | 1,698,950 | 1,766,908 | 1,837,584 | 1,911,088 | 1,987,531 | 2,067,032 | 2,149,714 | 2,235,702 |
| Tsf from General Fund | 5,307,000 | 9,316,000 | 9,616,000 | 9,916,000 | 10,216,000 | 10,516,000 | 10,816,000 | 11,116,000 | 11,416,000 | 10,716,000 | 10,016,000 | 9,316,000 | 8,616,000 |
| Tsf from MCDA | 17,871 | 18,586 | 19,329 | 20,102 | 20,907 | 21,743 | 22,613 | 23,517 | 24,458 | 25,436 | 26,453 | 27,512 | 28,612 |
| Tsf from Special Revenue | 58,396 | 60,732 | 63,161 | 65,688 | 68,315 | 71,048 | 73,890 | 76,845 | 79,919 | 83,116 | 86,440 | 89,898 | 93,494 |
| Tsf from Component Unit | 118,749 | 123,499 | 128,439 | 133,576 | 138,920 | 144,476 | 150,255 | 156,266 | 162,516 | 169,017 | 175,778 | 182,809 | 190,121 |
| Tsf from Internal Serv | 596,829 | 80,293 | 83,504 | 86,844 | 90,318 | 93,931 | 97,688 | 101,596 | 105,660 | 109,886 | 114,281 | 118,853 | 123,607 |
| Tsf from Enterprise | 3,657,751 | 2,219,559 | 2,308,341 | 2,400,675 | 2,496,702 | 2,596,570 | 2,700,433 | 2,808,450 | 2,920,788 | 3,037,620 | 3,159,124 | 3,285,489 | 3,416,909 |
| Tsf from Capital | 1,068,303 | 153,181 | 159,308 | 165,680 | 172,307 | 179,200 | 186,368 | 193,822 | 201,575 | 209,638 | 218,024 | 226,745 | 235,814 |
| Total | 13,594,643 | 14,837,391 | 15,344,114 | 15,731,450 | 16,209,184 | 16,694,027 | 17,186,263 | 17,686,189 | 18,194,113 | 17,710,353 | 17,235,243 | 16,769,128 | 16,312,369 |
| Operating Expenditures: | | | | | | | | | | | | | |
| City Clerk - Mailing/Copy Center | 1,311,768 | 1,351,121 | 1,391,655 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 | 1,311,768 |
| Finance Support | 107,645 | 110,874 | 114,201 | 117,627 | 121,155 | 124,790 | 128,534 | 132,390 | 136,361 | 140,452 | 144,666 | 149,006 | 153,476 |
| Information Tech Operations | 13,992,377 | 15,300,000 | 14,259,000 | 14,686,770 | 15,127,373 | 15,581,194 | 16,048,630 | 16,530,089 | 17,025,992 | 17,536,771 | 18,062,875 | 18,604,761 | 19,162,904 |
| Total | 15,411,790 | 16,761,995 | 15,764,855 | 16,116,165 | 16,560,296 | 17,017,752 | 17,488,932 | 17,974,247 | 18,474,121 | 18,988,992 | 19,519,308 | 20,065,535 | 20,628,148 |
| Net Operating Gain/(Loss) | (1,817,147) | (1,924,605) | (420,742) | (384,715) | (351,113) | (323,726) | (302,669) | (288,057) | (280,009) | (1,278,639) | (2,284,066) | (3,296,407) | (4,315,779) |
| Non-Operating Revenues/(Expenditures): | | | | | | | | | | | | | |
| Tsf from General Fund* | 5,909,000 | 3,300,000 | 4,200,000 | 5,100,000 | 6,000,000 | 6,900,000 | 7,800,000 | 8,700,000 | 9,600,000 | 10,500,000 | 11,400,000 | 12,300,000 | 13,200,000 |
| Internal Working Capital Charge | (500,000) | | | | | | | | | | | | |
| Tsf to Internal Service Fund | (5,500) | (5,500) | (5,665) | (5,835) | (6,010) | (6,190) | (6,376) | (6,567) | (6,764) | (6,967) | (7,176) | (7,392) | (7,613) |
| Tsf to Capital (1998 FISCOL Upgrade) | (525,000) | (525,000) | (420,035) | | | | | | | | | | |
| Debt Service - Transfer | (7,007,000) | (3,713,380) | (3,756,710) | (3,794,500) | (5,781,750) | (7,885,750) | (7,675,000) | (1,369,750) | (1,369,750) | (7,629,750) | (7,691,750) | (7,735,000) | (7,864,500) |
| Total | (2,128,500) | (943,880) | 17,590 | 1,299,665 | 212,240 | (991,940) | 118,624 | 7,323,683 | 8,223,486 | 2,863,283 | 3,701,074 | 4,557,608 | 5,327,887 |
| Net Change in Balance | (3,945,647) | (2,868,485) | (403,152) | 914,950 | (138,873) | (1,315,666) | (184,045) | 7,035,625 | 7,943,477 | 1,584,644 | 1,417,008 | 1,261,202 | 1,012,108 |
| Beginning Cash | (8,970,000) | (12,915,647) | (15,784,132) | (16,187,283) | (15,272,333) | (15,411,206) | (16,726,872) | (16,910,916) | (9,875,291) | (1,931,814) | (347,170) | 1,069,838 | 2,331,039 |
| Change in Cash | (3,945,647) | (2,868,485) | (403,152) | 914,950 | (138,873) | (1,315,666) | (184,045) | 7,035,625 | 7,943,477 | 1,584,644 | 1,417,008 | 1,261,202 | 1,012,108 |
| Ending Cash | (12,915,647) | (15,784,132) | (16,187,283) | (15,272,333) | (15,411,206) | (16,726,872) | (16,910,916) | (9,875,291) | (1,931,814) | (347,170) | 1,069,838 | 2,331,039 | 3,343,147 |
| Summary Items: | | | | | | | | | | | | | |
| Total transfers from General Fund | 11,216,000 | 12,616,000 | 13,816,000 | 15,016,000 | 16,216,000 | 17,416,000 | 18,616,000 | 19,816,000 | 21,016,000 | 21,216,000 | 21,416,000 | 21,616,000 | 21,816,000 |
| Annual Increase in General Fund Revenue** | | 1,400,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Total transfers from Other Funds | 5,517,900 | 2,655,849 | 2,762,083 | 2,872,566 | 2,987,469 | 3,106,967 | 3,231,246 | 3,360,496 | 3,494,916 | 3,634,712 | 3,780,101 | 3,931,305 | 4,088,557 |
| Annual Percent Change*** | | -51.9% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| IT Operating Budget Annual Percent Change | | 9.3% | -6.8% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| IT Operating Budget Annual Dollar Change | | 1,307,623 | (1,041,000) | 427,770 | 440,603 | 453,821 | 467,436 | 481,459 | 495,903 | 510,780 | 526,103 | 541,886 | 558,143 |

Note:

* In 2000, \$1 million of revenue and related expense was budgeted directly in the Bond Redemption Fund versus a transfer from General Fund to IT, but for presentation purposes it is shown here in the Intergovernmental Fund.

** The \$1,400,000 increase in General Fund includes \$1,000,000 in new revenue plus \$400,000 due to the MPD/ITS merger. There is a corresponding \$400,000 reduction in the MPD.

*** The reduction in revenue from other funds from 2000 to 2001 is due to the elimination of the following: 1) one-time transfer for Public Works workstations (purchased in 1999 and 2000) and 2) one-time transfer for cost of Engineering 2000